



## **Office of the Mayor**

### **NEWS RELEASE**

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### **Now performing at the Morris: A \$5.9 million impact**

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Each person who will attend an event at the Morris Performing Arts Center this year will spend, on average, another \$33.72 in South Bend – nearly twice the level of spending generated by other U.S. arts venues, according to a new economic impact survey.

The city-owned facility expects 165,000 patrons to attend 93 events in 2007 at the Morris Performing Arts Center complex, which would generate a \$5.9 million indirect economic impact on the community. That figure does not include ticket sales.

In just three years, that projected impact has increased nearly 80 percent when compared with a \$3.1 million projected economic impact in 2004 from a similar study on which the new study is based.

“The Morris is a strategic component in the promotion of tourism and economic development, and the general revival of the downtown South Bend area,” said a market research study conducted by an award-winning Saint Mary’s College graduating senior. The study projected a “\$5.6 million indirect economic impact by spending of Morris Performing Arts Center patrons and an estimated \$290,000 in food and beverages obtained from local vendors and provided by the Palais Royale.” This brings the total indirect economic impact to nearly \$5.9 million. In addition, event performers spend nearly \$19,000 on necessities in the community and more than \$11,000 for hotel reservations. The Morris also generates a sales tax revenue of more than \$353,000.

“Our dream of creating a first-class arts district downtown is not an impossible dream but a happening reality,” said Mayor Stephen J. Luecke. “We’ve always known the Morris Performing Arts Center and the Palais Royale are twin jewels that beautify our downtown. This study shows that they also help drive its economic engine.”

When figures for the Morris are compared with a national 2002 study conducted by Americans for the Arts, the national average for per-person spending was \$18.55, compared with \$33.72 per person at the Morris.

“The Morris received the 2006 Prime Site Award from *Facilities* magazine and is ranked No. 38 worldwide based on ticket sales by *Pollstar*, two leading industry trade publications,” said Dennis Andres, executive director of the Morris Performing Arts Center complex. “Staff at the Morris constantly strive to book a wide variety of shows with promoters and provide a memorable experience for patrons. The high caliber of entertainment contributes to the quality of life for citizens of South Bend and the entire region.”

On the average, Morris patrons would spend more than half of their money, \$18.52, on meals and refreshments. Collectively, that accounts for a tab of more than \$3 million – 55 percent of the total economic impact. The Americans for the Arts study showed that nationally only 15 percent of patron spending went for meals or refreshments.

“Morris Performing Arts Center patrons tend to use Morris events partly as a ‘dining out’ occasion,” the study said. According to researchers, 81 percent of attendees bought some sort of meal or refreshment before, during or after their last Morris event.

With more than two dozen restaurants within two blocks of the Morris, the study highlights what already is evident to patrons – the Morris is at the heart of a growing dining and club quarter. Part of that figure comes from the Morris’ own Bistro, which opened in 2003 and offers lunch and dinner-theater packages.

In addition, study respondents said they spend \$4.20 on transportation, \$3.55 on souvenirs and \$6.75 on other expenses. Because 87 percent of survey respondents live within 30 miles of the Morris, lodging accounts for only 70 cents of anticipated spending. Lodging represents 2 percent of the total impact in South Bend, when compared with 11 percent nationally.

“Being the only theater of its caliber in between these locations [Chicago, Indianapolis and Detroit], the Morris creates a strong draw on the local population,” the study said. “Although difficult to quantify, the Morris allows the local economy to retain significant entertainment spending, which would go elsewhere in its absence.”

In addition to the indirect economic impact on other businesses, the Morris also generates more than \$353,000 in sales tax revenue.

“Not only does a nonprofit like the Morris Performing Arts Center contribute to our local tax base, but this study demonstrates that the Morris draws people to downtown South Bend with discretionary spending,” said Paul Meyer, chairman of the board for DTSCB. “We believe that once people come downtown they’ll get caught up in its excitement and vibrancy, visit other businesses and become regular patrons.”

The study was conducted by Ashley M. Oberst, who will graduate this month with a bachelor’s degree in mathematics from Saint Mary’s. At the time of her graduation, Oberst is slated to receive two awards – the Frank Yeandel Award, given to the senior

who has contributed the most to the overall life of the Department of Business Administration and Economics, and the Outstanding Achievement Award in Economics, its highest honor. Her work was conducted under the direction of Professor Jerome L. McElroy at the Department of Business Administration, Economics and Mathematics at Saint Mary's College. McElroy also coordinated the economic impact study for the Century Center.

Oberst completed the survey for under \$100.

The study focused on three distinct audience groups:

- Nearly 6,000 patrons of the Morris Performing Arts Center, who received an e-mail invitation to an online survey. The 922 responses represented a 15 percent response rate.
- Telephone interviews with nearly 100 local businesses, whose services are impacted by Morris events.
- Surveys of about 200 visitors to an event at the Palais Royale.

In 2004, a study by the University of Dallas Graduate School of Management found that Morris patrons have a \$3.12 million indirect economic impact on South Bend, excluding the cost of admission and spending by Palais Royale visitors. The study concluded that in 2004 an anticipated 156,000 visitors would have a \$3.12 million indirect economic impact on the city, excluding cost of admission.

The current findings, adjusted for inflation, are within 5 percent of the projected economic impact by Americans for the Arts for a city with a population size similar to South Bend.

In addition, the Saint Mary's survey of businesses noted that 23 percent of businesses required additional staffing in conjunction with events at the Morris. More than 80 percent of those businesses pay average gross wages of \$6 to \$8 per hour.

Built for more than \$1 million in 1921 as the Palace Theater, the Morris underwent a 26-month, \$17.4-million renovation before reopening in February 2000. Since reopening, the Morris has hosted around 100 events annually. It now ranks 38<sup>th</sup> worldwide based on total ticket sales, according to *Pollstar*, the concert industry's leading trade publication. The Morris also received the 2006 Prime Site Award from *Facilities Magazine* for its "outstanding service to event clientele." Last month, the Morris Bistro shared in the first interior improvement Pride of Place Award from DTSB.

The Palais Royale Ballroom originally opened in February 1922. It was used as a disco and a boxing arena before closing in 1968. Restoration began in December 2001 and the Palais reopened on New Year's Eve 2002 after a \$6.9-million public-private renovation effort. Last month, the Palais Royale received DTSB's first Pride of Place Award for historic preservation.